

Onondaga County Industrial Development Agency
Regular Meeting Minutes
January 15, 2013

The regular meeting of the Onondaga County Industrial Development Agency was held on Tuesday, January 15, 2013 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Donna DeSiato called the meeting to order at 8:13 am with the following:

PRESENT:

Karen Kitney
Daniel Queri
Donna DeSiato
Frank Forte
Jessica Crawford

ABSENT:

Dale Sweetland
Victor Ianno

ALSO PRESENT:

Mary Beth Primo, OCIDA, Executive Director
Kristi Smiley, OCIDA, Secretary & Treasurer
Karen Doster, Recording Secretary, Agency
Nora Spillane, Office of Economic Development
Linda McShane, Office of Economic Development
Tony Rivizzigno, Agency Counsel
Michael Drapaeau, RockTenn Solvay, LLC
Vince Raymond, VIP Structures
Peter Muserlian, Tarbell Road Associates, LLC
Chris Montante, Tarbell Road Associates, LLC

Donna DeSiato thanked Karen Kitney for the role that she has played as Chair. She stated that it was a time of stability. She stated that she is on other boards with Karen and she is always delighted to see her face in the room because she brings a lot of knowledge and experience to the table. She thanked her again for her volunteer service and wished her well.

APPROVAL OF MEETING MINUTES – DECEMBER 11, 2012 REGULAR MEETING

Upon a motion by Karen Kitney, seconded by Daniel Queri, the OCIDA Board approved the minutes of the December 11, 2012 regular meeting. Motion was carried.

TREASURER'S REPORT

Kristi Smiley gave a brief review of the Treasurer's Report for the month ending December 2012. She stated that Tony Rivizzigno has been working on wrapping up the OCEDC and we did receive a check for \$95,755 from OCEDC. She stated that OCIDA came in over revenue this year because we have seen an uptake in projects which is great. She stated that the contract expense is under a little bit but the final interdepartmentals haven't posted yet so there will be a change that the Board will see next month. She stated that operating expenses came in under budget projections.

Upon a motion by Karen Kitney, seconded by Daniel Queri, the OCIDA Board approved the Treasurer's Report for the month of December 2012. Motion was carried.

PAYMENT OF BILLS- SCHEDULE #360

Kristi Smiley gave a brief review of the OCIDA Payment of Bills Schedule #360.

Upon a motion by Karen Kitney, seconded by Jessica Crawford, the OCIDA Board approved the Payment of Bills, Schedule #360 with General Expenses being \$99,584.90 and PILOT payments to the Town of Cicero for \$11,740.51, Town of Salina for \$47,992.08, Lyncourt Schools for \$300,987.09, North Syracuse Schools for \$111,794.06 and Onondaga County for \$47,933.72. Motion was carried.

CONFLICT OF INTEREST STATEMENT

No comments.

TESSY PLASTICS CORP – INDUCEMENT AND SEQRA

Tony Rivizzigno stated that he has reviewed all the environmentals and determined this project will not have a negative impact. He stated that OCIDA will confirm their status as lead agency.

Karen Kitney stated that when she worked for the Planning Department there was a long committee dialogue because Tessy has a parking lot which causes cars to back out onto Route 5. She stated that with all the additions they have made over the years and the changes they have made never seem fit to remedy that issue which is a safety issue.

John Klucsik stated that as to this action with respect to the warehouse addition, the driveway issue that Karen Kitney raises would be considered under SEQR part of the existing condition. He stated that while it may be appropriate to raise the issue and particularly consider DOT's position on the issue. He stated that as to the action before this Board it is part of the existing condition and not part of the proposed action that this Board is being asked to take action on.

Donna DeSiato stated that she would like staff to bring to their attention that there is a concern with regard to cars having to back out onto a main thoroughfare and if there is a way in the future for them to remedy that for the safety. She stated that it is not part of this particular resolution but being mindful that it is a concern.

Upon a motion by Daniel Queri, seconded by Jessica Crawford, the OCIDA Board approved a resolution adopting a negative declaration for the Tessy Plastics Corp. project located in the Village of Elbridge as an unlisted action with no significant adverse environmental impact. Motion was carried.

Upon a motion by Frank Forte, seconded by Daniel Queri, the OCIDA Board approved an inducement resolution for a straight lease transaction for the Tessy Plastics Corp project consisting of the construction of a 99,800 square foot warehouse addition to its existing 94,000 square foot manufacturing plant in the Town of Elbridge. Motion was carried.

ROCKTENN SOLVAY LLC: PUBLIC HEARING FOR AMENDMENT TO EXISTING APPLICATION

Tim Frateschi stated that he is with Harris Beach and is representing the Agency on this matter. He stated that this is a simple amendment to the application. He stated that the boilers that are being purchased which are a significant cost, around \$20,000,000, were originally expected to be part of the project cost and were therefore subject to any financial assistance that this entity will provide. He stated that after further research and review by the applicant, they provided the Agency with a letter indicating

that those boilers will not be part of the real property and will be integral to the manufacturing process. He stated that they are not going to be a fixed asset or fixture on the land. He stated that they will not be assessed by the town and therefore the assessment will not require a \$20,000,000 PILOT but only require the construction of the outside facility.

Donna DeSiato asked about the purpose of the boilers. Tim Frateschi stated that the real property tax law says that if it is part of the manufacturing process then it is not part of the assessment of the real property. Michael Drepeau stated that they are strictly there to produce steam to manufacture paper and not to heat the building or anything like that.

Tim Frateschi stated that the purpose today is to amend the application to reflect that the PILOT will not require a PILOT on the \$20,000,000 and only on the construction of the facility. He stated that a new public hearing needs to allow comment on the fact that the cost of the project has been significantly reduced.

Upon a motion by Frank Forte, seconded by Jessica Crawford, the OCIDA Board approved a resolution amending the existing RockTenn Solvay LLC project application and authorizing a new public hearing for the project. Motion was carried.

SOUTHERN WINE & SPIRITS OF UPSTATE NEW YORK: LOCAL ACCESS WAIVER

Vince Raymond and Jeff Indivero stated that they are from VIP Structures. Vince Raymond stated that Jeff Indivero is a project manager and that VIP built the original Southern Wine building. He stated that they used a very different type of wall system than most warehouses in this area. He stated that it is a hard precast concrete wall. He stated that they are very supportive of the IDA and buying local especially since VIP Structures is local but in this particular case the product is not made and the qualified people to install it are not available. He stated that they get great jobs with companies like Southern Wine because of their reputation for quality work and they cannot risk the quality of the building, safety or schedule by using someone who is not familiar with these systems. He stated that Fabcon is the name of the company and they are out of Pennsylvania which is the company that manufactured and installed panels at the original construction and they need them to match. He stated that he does not think there is another company that makes these panels in this area.

Donna DeSiato asked what the advantage is for these types of precast concrete walls. Jeff Indivero stated that for Southern Wine it is for security and they have a grid installation value. He stated that these particular panels for this project are 46 feet tall.

Vince Raymond stated that the most warehouses use metal walls because it is cheaper and it is just what people use around here. He stated that he thinks it is for aesthetics and security but for whatever reason they do not have any warehouses with metal panels.

Daniel Queri asked if Fabcon is the same group that did the original. Vince Raymond stated yes.

Daniel Queri asked if the same waiver was provided the first time around. Mary Beth Primo stated that it was prior to this policy.

Daniel Queri asked if they do their own installation. Jeff Indivero stated that they have specialty installation crews that work with this product every day.

Daniel Queri asked if there is a warranty issue if somebody else installed their panels. Jeff Indivero stated that there is a warranty and certainly a quality issue. Vince Raymond stated that there is a safety issue too. He stated that they know how to handle the panels.

Donna DeSiato stated that they are using the same material that was used in the original construction. Vince Raymond agreed.

Upon a motion by Jessica Crawford, seconded by Daniel Queri, the OCIDA Board approved a resolution waiving the Agency's Local Access Policy for Southern Wine & Spirits of Upstate New York's purchase and installation of exterior pre-cast concrete wall panels from Fabcon. Motion was carried.

Donna DeSiato asked if they will do it during the winter months. Vince Raymond stated that they could but they are just starting to push the dirt now. He stated that the panels will be going up in late spring.

Peter Muserlian stated that he is from Tarbell Road Associates, LLC. He stated that they are in the process of renovating a former GE building which was built in 1960. He stated that with this renovation they have gutted the building and they did the outside work. He stated that they now have Noble Health Services that would like to go into the building and take approximately 16,800 square feet which is the common area and about 15,000 of actual square footage. He stated that part of the process that they are going through right now is they need to upgrade the mechanical for the whole building so that they can build out the Noble space. He stated that it is not including the total building itself but the 60,000 square feet but only really the 15,000 plus another 5,000 feet. He stated that this project is a new business, it is a net wealth generator, all new jobs and as it states in the application, the jobs being created have an average wage of about \$54,000 with full benefits. He stated that it is a big win for Onondaga County.

Mary Beth Primo asked if there is anyone present from Noble to talk about its business. Peter Muserlian stated yes

Donna DeSiato stated that part of the question that will help the Board understand is that this is only part of an existing structure. Chris Montante agreed and stated that Michael Becker is here from Noble to talk about his company and how this building in this location will meet their requirements for their expanding business plan. He stated that he believes there was an employment plan provided with some overall metrics on the next two to three years and the intentions.

Michael Becker stated that he is from Noble Health Services and appreciates the opportunity to be before the Board. He gave an overview of the business, market potential, and relationship with its parent company, Kinney Drugs, Inc.

The Board and representatives from Tarbell Road Associates discussed details of the project, possibilities for expansion in the market.

Karen Kitney stated that this project is not only forward looking but its reuse of existing space she highly commends. She stated that Mr. Muserlian has a long history of reusing existing space and making it a huge asset to the community.

Upon a motion by Frank Forte, seconded by Jessica Crawford, the OCIDA Board approved a resolution describing the proposed Tarbell Road Associates, LLC project and the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

WHITE PINE COMMERCE LAND APPRAISAL

Mary Beth Primo stated that the White Pine Commerce Park Appraisal is being removed from today's agenda.

REVIEW RECOMMENDED CHANGES TO THE PROCUREMENT POLICY

(Frank Forte left meeting.)

Mary Beth Primo stated that the Governance Committee has approved this and recommends approval by the full Board. She stated that primary changes to the Procurement Policy have to do with adding exceptions to general methods of procurement. She stated that they are laid out in Section 2.

(Frank Forte returned to meeting.)

Upon a motion by Karen Kitney, seconded by Daniel Queri, the OCIDA Board approved a resolution adopting the changes to the Procurement Policy.

2013 AGENCY CALENDAR

Donna DeSiato asked if there were any conflicts or challenges in the calendar. Mary Beth Primo stated that this is the calendar but the regular meeting can always be changed with proper notice. She stated that in July the Board will be meeting a week later than they usually meet.

Donna DeSiato stated that the July meeting may be a conflict for her.

Upon a motion by Daniel Queri, seconded by Frank Forte, the OCIDA Board approved a resolution accepting the 2013 Board Meeting Calendar. Motion was carried.

RESOLUTION OF APPRECIATION FOR CHAIR KAREN KITNEY AND BOARD MEMBER FRANK FORTE

Donna DeSiato read a resolution of appreciation for Chair Karen Kitney and Board member Frank Forte. She stated that their time served is a benefit to our County.

The Board thanked Karen Kitney and Frank Forte.

Upon a motion by Frank Forte, seconded by Jessica Crawford, the OCIDA Board adjourned the meeting at 9:02 am. Motion was carried.



Kristi Smiley, Secretary